

March 15, 2004 Commission Meeting Summary

ITEM

1. **Public Comment.** *No public comment received.*

CONSENT ITEMS

2. **Approval of the Minutes of the February 10, 2004, Commission Meeting.** *Approved.*

ENFORCEMENT

Major Donor Reporting Violations

3. **In the Matter of Lockheed Martin Corporation; FPPC No. 03/492.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Lockheed Martin Corporation is a defense and aerospace company, headquartered in Arlington, Virginia. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$2,000 fine.*
4. **In the Matter of Larry W. Sonsini; FPPC No. 03/548.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Larry W. Sonsini is the Chairman and Chief Executive Officer of the law firm of Wilson Sonsini Goodrich & Rosati, located in Palo Alto. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$2,000 fine.*
5. **In the Matter of Stewart Alsop; FPPC No. 03/565.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Stewart Alsop is a general partner with New Enterprise Associates, a venture capital firm, located in Redwood City. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$2,500 fine.*
6. **In the Matter of Hiromichi Yamagata; FPPC No. 03/549.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Hiromichi Yamagata is an artist who resides in Malibu. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$2,500 fine.*

7. **In the Matter of Twin Med, Inc.; FPPC No. 03/553.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Twin Med, Inc. is a medical supply corporation, located in Vernon. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$2,000 fine.*
8. **In the Matter of Kennedy Wilson, Inc.; FPPC No. 03/577.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Kennedy Wilson, Inc. is an international real estate services and fund management corporation located in Beverly Hills. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$2,000 fine.*
9. **In the Matter of Julie E. Smith; FPPC No. 03/685.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Julie E. Smith is an administrative assistant at DH Smith Company, Inc., located in San Jose. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$2,000 fine.*
10. **In the Matter of Thomas G. McCall; FPPC No. 03/556.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Thomas G. McCall is an insurance broker with Lockton Insurance Brokers, Inc., located in Irvine. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$2,000 fine.*
11. **In the Matter of Geoffrey C. Jones; FPPC No. 03/637.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Geoffrey C. Jones is a trader with Highlander Asset Management, located in New York City. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$2,000 fine.*
12. **In the Matter of Solange MacArthur; FPPC No. 03/557.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Solange MacArthur is retired and resides in Washington, D.C. Respondent committed one violation of the Act by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$2,000 fine.*
13. **In the Matter of Han-Ying Wang; FPPC No. 03/546.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Han-Ying Wang is the owner of the Little Sichuan Restaurant, located in San Mateo. Respondent committed one violation of the Act

by failing to timely file a semi-annual campaign statement, in violation of Section 84200, subdivision (b) of the Government Code (1 count). *Approved; \$1,500 fine.*

- 14. In the Matter of Beverly Hills Properties; FPPC No. 03/561.** Staff: Commission Counsel Jennie Eddy and Investigator III Jon Wroten. Respondent Beverly Hills Properties is a business entity located in Beverly Hills. Respondent committed two violations of the Act by failing to timely file two semi-annual campaign statements, in violation of Section 84200, subdivision (b) of the Government Code (2 counts). *Approved; \$4,000 fine.*

Campaign Reporting Violations

- 15. In the Matter of Californians Against Government Run Healthcare, a Committee Against Proposition ___, with Major Funding by Restaurants and Retailers; and Steven Churchwell, FPPC No. 03/847.** Staff: Commission Counsel Julia Bilaver and Political Reform Consultant Wayne Imberi. Respondent Californians Against Government Run Healthcare, a Committee Against Proposition ___, with Major Funding by Restaurants and Retailers is a state ballot measure committee primarily formed to support a referendum opposing recently enacted Senate Bill 2. Respondent Steven Churchwell serves as the treasurer of the committee. In this matter, Respondents failed to file electronic reports disclosing 10 contributions of \$5,000 or more, in violation of Government Code section 85309(d) (10 counts). *Approved; \$25,000 fine.*

- 16. In the Matter of David Rosenaur and Export International, FPPC No. 99/344.** Staff: Commission Counsel Jeffery A. Sly and Investigator III Jon Wroten. Respondent David Rosenaur was the proponent of Measure F, a measure that appeared on the November 3, 1998 general election ballot in the Town of Loomis. Respondent Export International, Inc. is a California corporation wholly owned by Respondent Rosenaur. Respondents committed eight violations of the Political Reform Act by: failing to timely file pre-election campaign statements, in violation of Government Code section 84200.5, subdivision (f) (2 counts); failing to file supplemental independent expenditure reports, in violation of Government Code section 84203.5 (3 counts); failing to file late independent expenditure reports, in violation of Government Code section 84204, subdivision (a) (2 counts); and failing to file a semi-annual campaign statement, in violation of Government Code section 84200, subdivision (b) (1 count). *Approved; \$11,000 fine.*

- 17. In the Matter of Mike Matsuda and Mike Matsuda for Assembly, FPPC No. 00/158.** Staff: Commission Counsel William L. Williams, Jr. and Investigator III Jon Wroten. Respondents Mike Matsuda and Mike Matsuda for Assembly violated the Political Reform Act by failing to maintain the detailed accounts, records, bills, and receipts necessary to prepare campaign statements and to comply with the campaign reporting provisions of the Act, in violation of section 84104 of the Government Code (1 count). *Approved; \$2,000 fine.*

Late Contribution – Streamlined Program

18. Failure to Timely File Late Contribution Reports – Proactive Program. Staff: Chief Investigator Alan Herndon, Investigator III Jon Wroten. The following persons and entities have entered into stipulations for failure to file late contribution reports in 2002, in violation of Government Code section 84203:

- a. **In the Matter of Jerome Moss, FPPC No. 2003-826.** Jerome Moss of Beverly Hills, California failed to timely disclose a late contribution totaling \$10,000.00. (1 count). *Approved; \$1,500 fine.*
- b. **In the Matter of Brian Devine, FPPC No. 2003-840.** Brian Devine of Rancho Santa Fe, California failed to timely disclose a late contribution totaling \$10,000.00. (1 count). *Approved; \$1,500 fine.*
- c. **In the Matter of Beamhit, LLC, FPPC No. 2003-842.** Beamhit, LLC of Columbia, Maryland failed to timely disclose a late contribution totaling \$10,000.00. (1 count). *Approved; \$1,500 fine.*

ADDITIONAL ENFORCEMENT MATTERS

19. In the Matter of California Independent Business Political Action Committee and Charles H. Bell, Jr., FPPC No. 99/195. Staff: Senior Commission Counsel Melodee A. Mathay and Supervising Investigator Sue Straine. Respondent California Independent Business Political Action Committee (CIB-PAC) is a general purpose recipient committee. Respondent Charles H. Bell, Jr. is CIB-PAC's treasurer. CIB-PAC's four contributors are located in Southern California, and the committee is located in Sacramento. In this matter, Respondents CIB-PAC and Bell violated the mass mailing sender identification provisions of the Act in March 1996, by paying for and sending eight political mass mailings that opposed incumbent Assemblyman Brian Setencich in the 30th Assembly District primary election, and/or supported his challenger, Robert Prenter. All eight mass mailings failed to disclose proper sender identification, which should have included the committee name, address and city of Respondent CIB-PAC. By failing to include proper sender identification on the eight mass mailings, Respondents committed eight violations of section 84305. Following an administrative hearing in Sacramento, Presiding Administrative Law Judge Jaime René Román issued a proposed decision finding that eight violations occurred, and imposing a maximum administrative penalty of \$16,000. The Enforcement Division is requesting that the Commission accept the ALJ's proposed decision in its entirety. Respondent is opposing that request. The Commission may hear argument on the proposed decision, and then will consider in closed session whether to adopt the ALJ's proposed decision. *The Commission rejected the proposed ALJ decision in its entirety and will hold a hearing on the matter.*

LEGAL MATTERS

Pre-Notice Discussion

20. Discussion of Proposed Regulatory Action to Address General Plan Decisions:

Amendment of Regulations 18704.2 and 18705.2, Adoption of Regulations 18706.1 and 18707.10 and Amendment of Regulation 18707.1. Staff: Commission Counsel Natalie Bocanegra and Kenneth L. Glick. This regulatory project explores whether conflict of interest regulations should be amended or added to address general plan issues. The staff memorandum discusses several possible regulatory approaches at Steps 4-7 of the standard conflict-of-interest analysis, including: 1) amendment to regulations 18704.2 and/or 18705.2 (Steps 4 and 5), 2) adding a new regulation concerning “reasonable foreseeability” (Step 6) in the context of certain general plan decisions (new regulation 18706.1), and 3) adding a new “public generally” regulation (Step 7) applicable to certain general plan decisions (new regulation 18707.10). The staff memorandum also discusses clarifying amendments to existing regulation 18707.1. Adoption of possible regulatory changes is currently planned for May 2004. *The Commission approved the clarifying amendments to regulation 18707.1 for notice. A second prenotice discussion will be held regarding proposed amendments to regulation 18704.2 (step 4) and incorporating the concepts proposed under the “reasonable foreseeability” analysis (step 6) into the “public generally” analysis (step 7).*

Discussion Items

21. March 2004 Work Plan Revisions. Staff: Assistant General Counsel John W. Wallace and General Counsel Luisa Menchaca. Revisions to the Commission's regulatory and special projects calendar are proposed. The Commission reviews the work plan on a quarterly basis. *Approved.*

ITEMS REMOVED FROM CONSENT

ACTION ITEMS

22. Legislative Report. Staff: Executive Director Mark Krausse. *The Commission approved the staff recommendation of “no position” at this time.*

DISCUSSION ITEMS

23. Executive Director’s Report. Staff: Executive Director Mark Krausse. *Submitted without discussion.*

24. Litigation Report. Staff: General Counsel Luisa Menchaca and Senior Commission Counsel Larry Woodlock. *Submitted without discussion.*